

ORIGINAL

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EX PARTE OR LATE FILED



September 3, 1999

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SEP 03 1999

FEDERAL COMMUNICATIONS COMMISSION
OFFICE OF THE SECRETARY

Ms. Magalie Roman Salas
Secretary
Federal Communications Commission
445 - 12th Street, SW
Room: TW-A325
Washington, DC 20554

Re: WT Docket No. 98-205

Dear Ms. Salas:

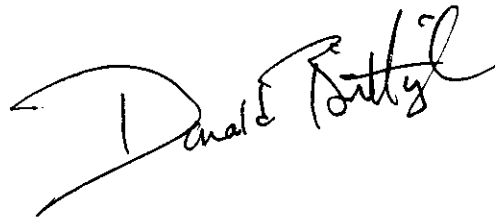
On September 2, 1999, representatives from Bell Atlantic Mobile (BAM) and the undersigned met with Mark Schneider and Dan Connors, legal advisors to Commissioner Ness, to discuss the Commission's Spectrum Cap proceeding. Attending the meeting from BAM were Richard Lynch, Chief Technical Officer, Ted Hoffman, Vice President-Technology Development, and Bill Stone, Executive Director-Network Planning. BAM advocates immediate relief from the 45 MHz CMRS spectrum aggregation limit.

In this meeting, BAM representatives described the practical effects of the Commission's spectrum cap on BAM's future ability to deliver wireless services. A summary of BAM's presentation is attached. Based on current projections, BAM will require additional spectrum beyond the 45 MHz cap in the 2003 timeframe in some markets. Immediate relief is therefore needed to ensure the availability of additional spectrum in 2003 based on a 2-3 year planning and deployment cycle. These projections are based on the continued growth of traditional mobile telephony and conservative estimates of the growth in landline substitution and low-speed data services. BAM would like to pursue a more aggressive landline substitution and data strategy, but believes that the growth of such services is necessarily constrained by the spectrum cap. Moreover, BAM's estimates do not take into account the growth of Third Generation (3G) mobile services that are expected to emerge in the next few years. The provision of such services would far exceed the 45 MHz spectrum limitations in all major markets.

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BAM's ability to satisfy future demand under the spectrum cap is constrained by the large base of analog customers it must continue to serve. Even as customers migrate to digital service, this embedded base of analog customers is expected to remain large for the foreseeable future. Moreover, cellular carriers are required to serve analog customers under the Commission's rules -- a requirement that does not extend to PCS operators. This "analog penalty" accelerates the cellular carrier's need for additional spectrum in advance of the needs of most PCS operators. The Commission should provide immediate relief from the spectrum cap to promote wireless-landline competition and the availability of future data services, including 3G.

Please include a copy of this ex parte presentation in the record for the above captioned proceeding. If you have any questions, you may call me on (202) 336-7873.

A handwritten signature in black ink, appearing to read "Donald R. Smith". The signature is written in a cursive, flowing style with a large initial "D".

Attachment

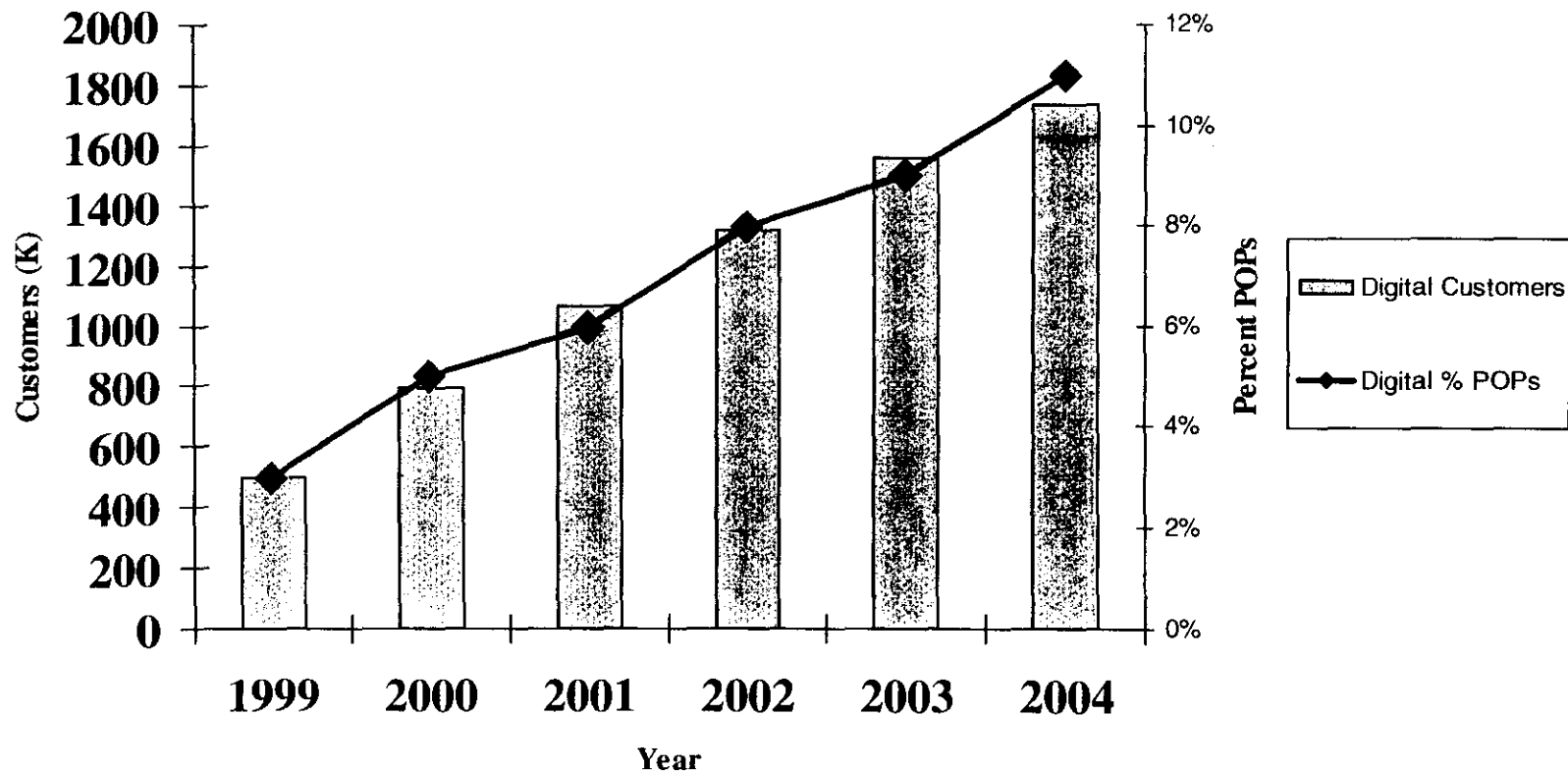
cc: D. Connors
M. Schneider

45MHz Spectrum Cap

- Cellular License, 25 MHz of Spectrum
 - Analog + CDPD
 - 6 CDMA carriers
- Two 10 MHz PCS Licenses
 - 3 CDMA carriers in each 10 MHz of PCS Spectrum
- 45 MHz limits the service provider to 12 CDMA carriers

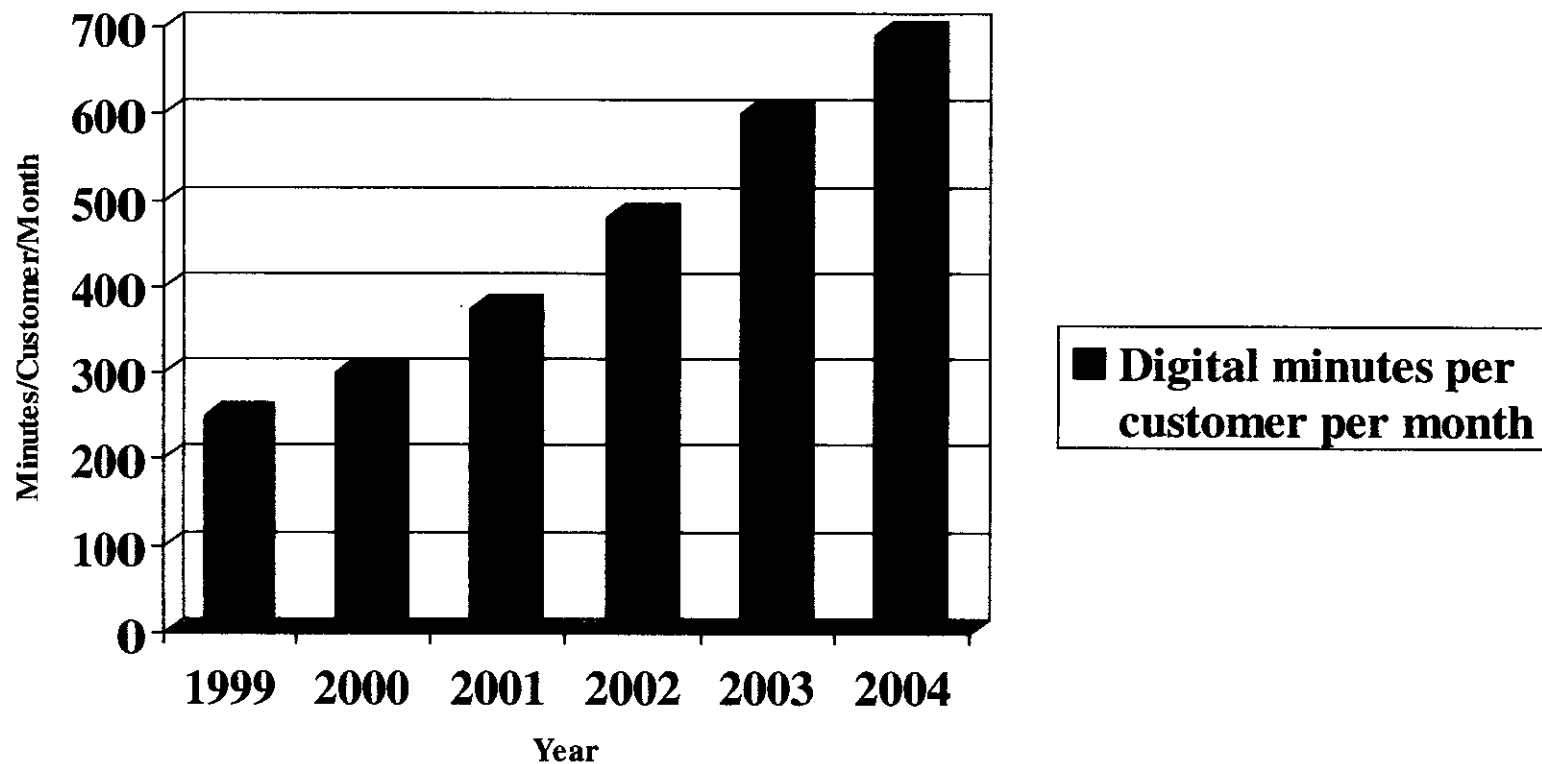
The information contained in this report is based on estimates for a typical market.

Typical City - Projected Customer Growth



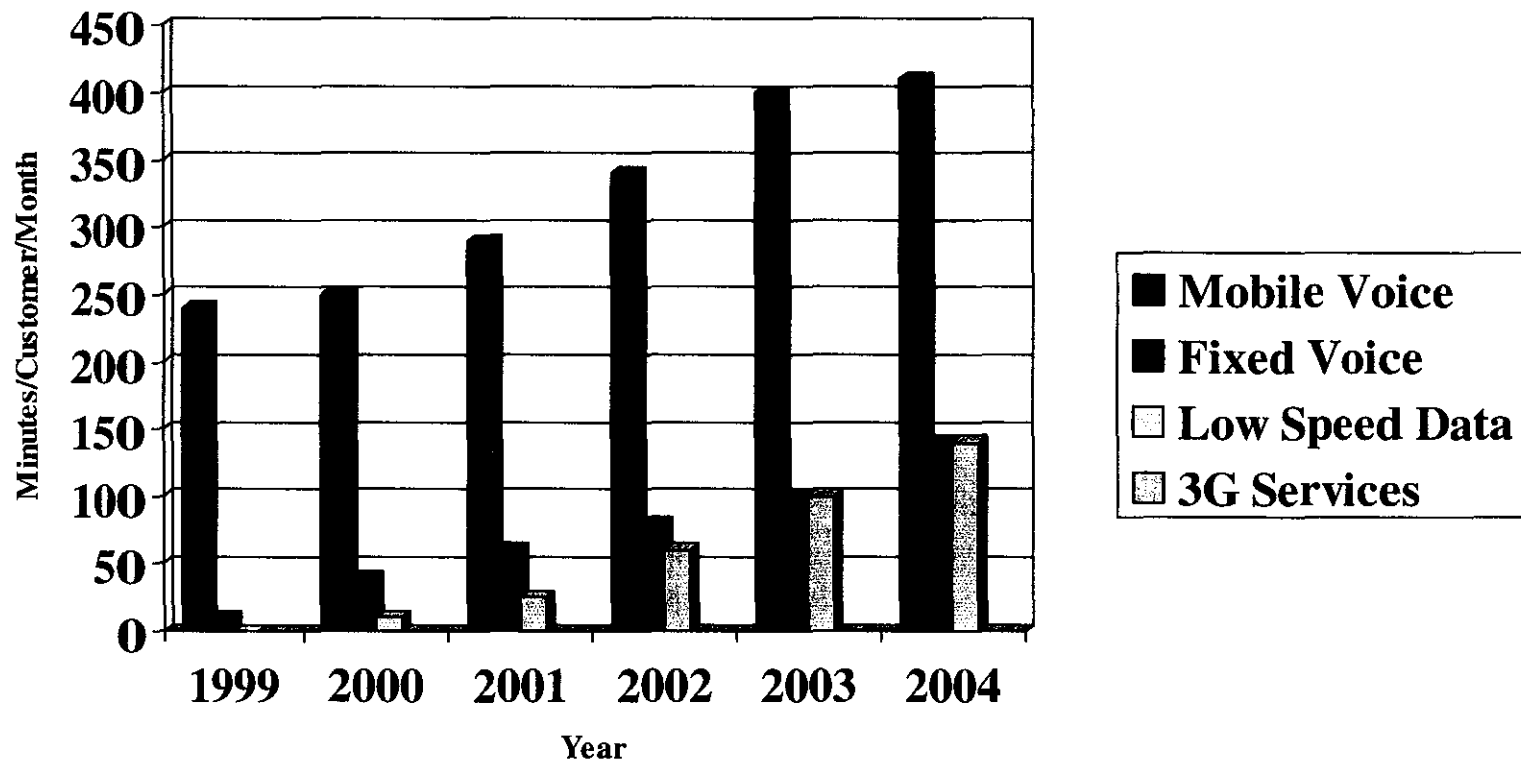
The information contained in this report is based on estimates for a typical market.

Typical City - Projected Minutes/Customer



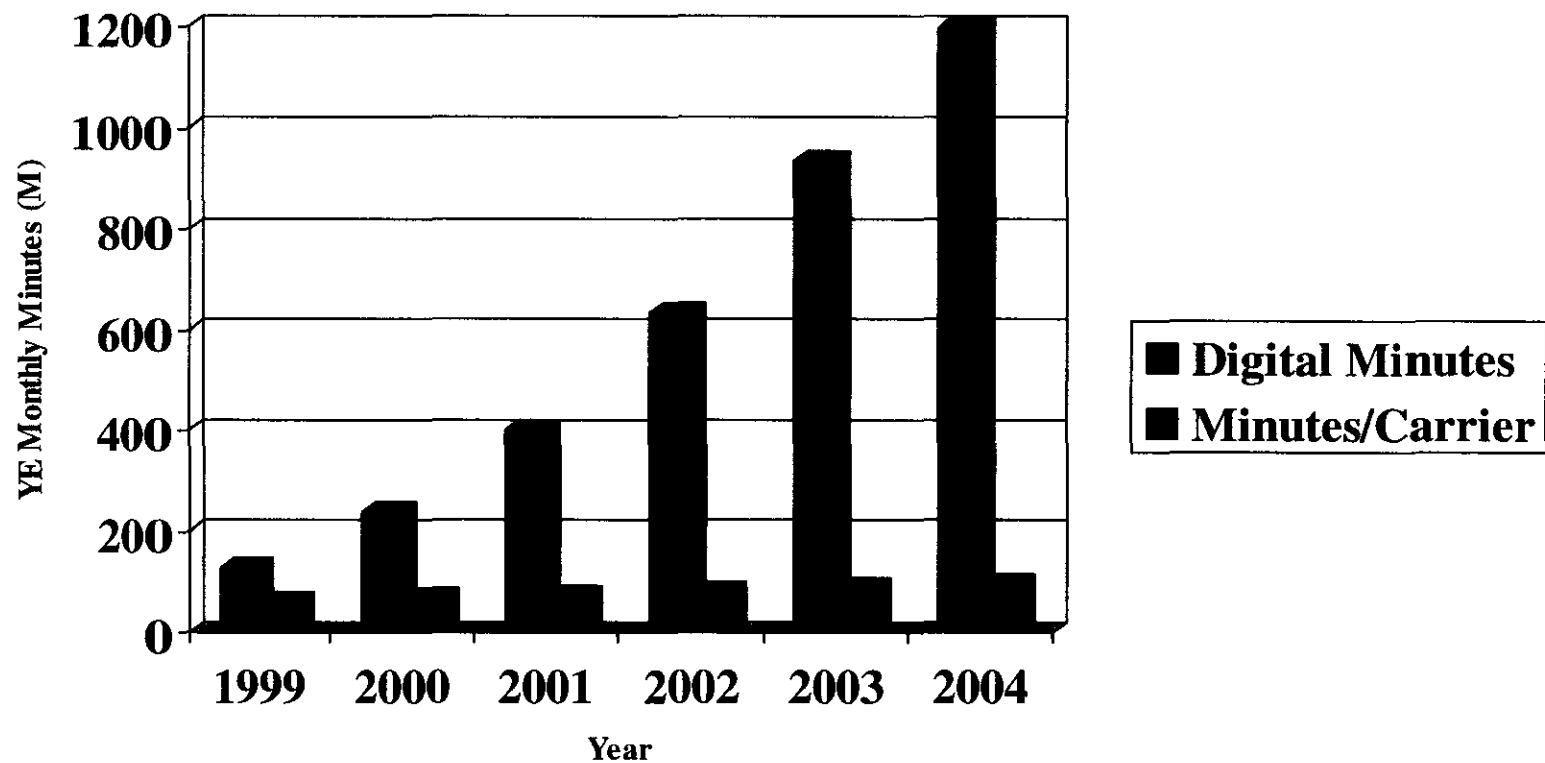
The information contained in this report is based on estimates for a typical market.

Break Down of Projected Minutes/Customer



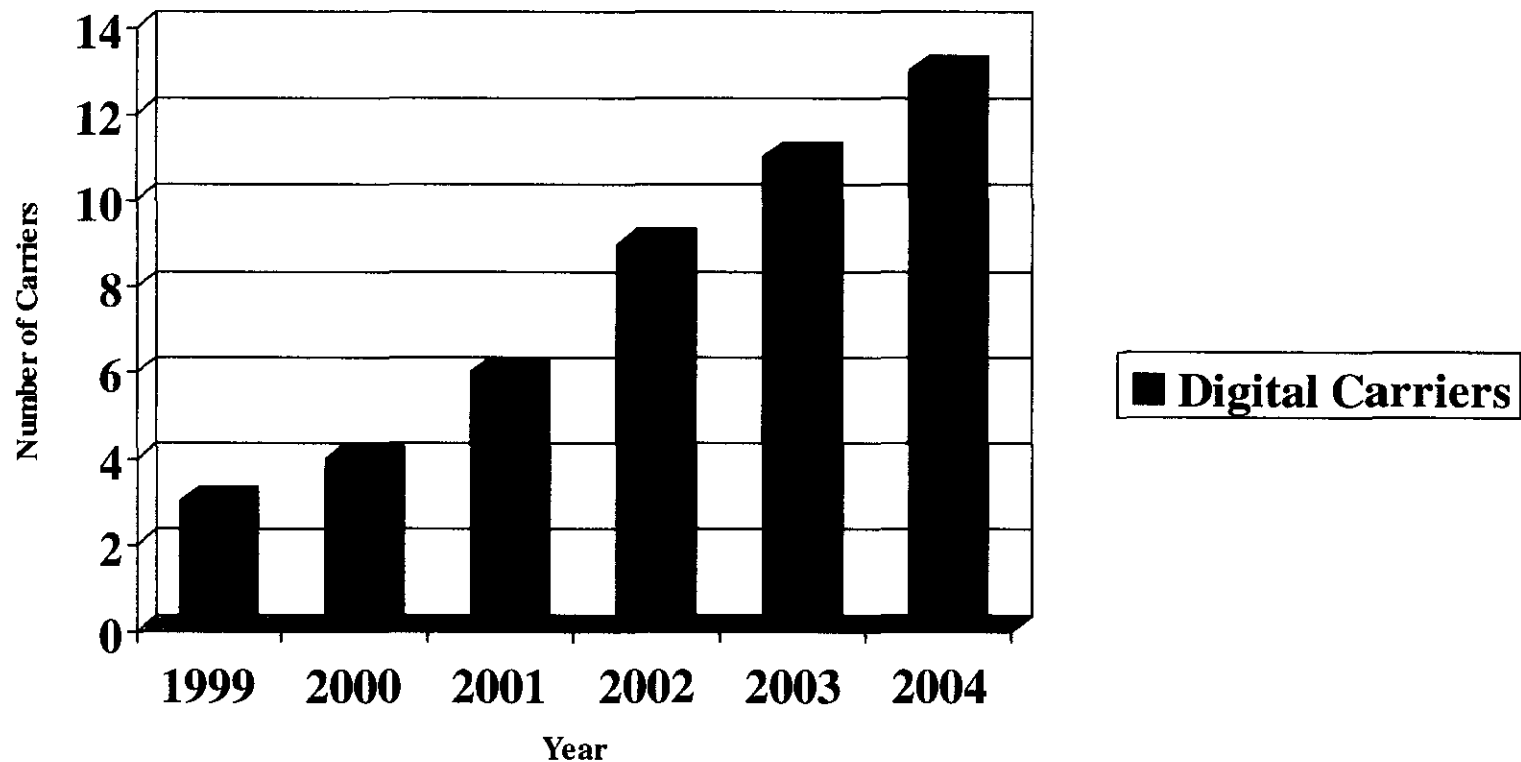
The information contained in this report is based on estimates for a typical market.

Typical City - Total Projected Digital Minutes



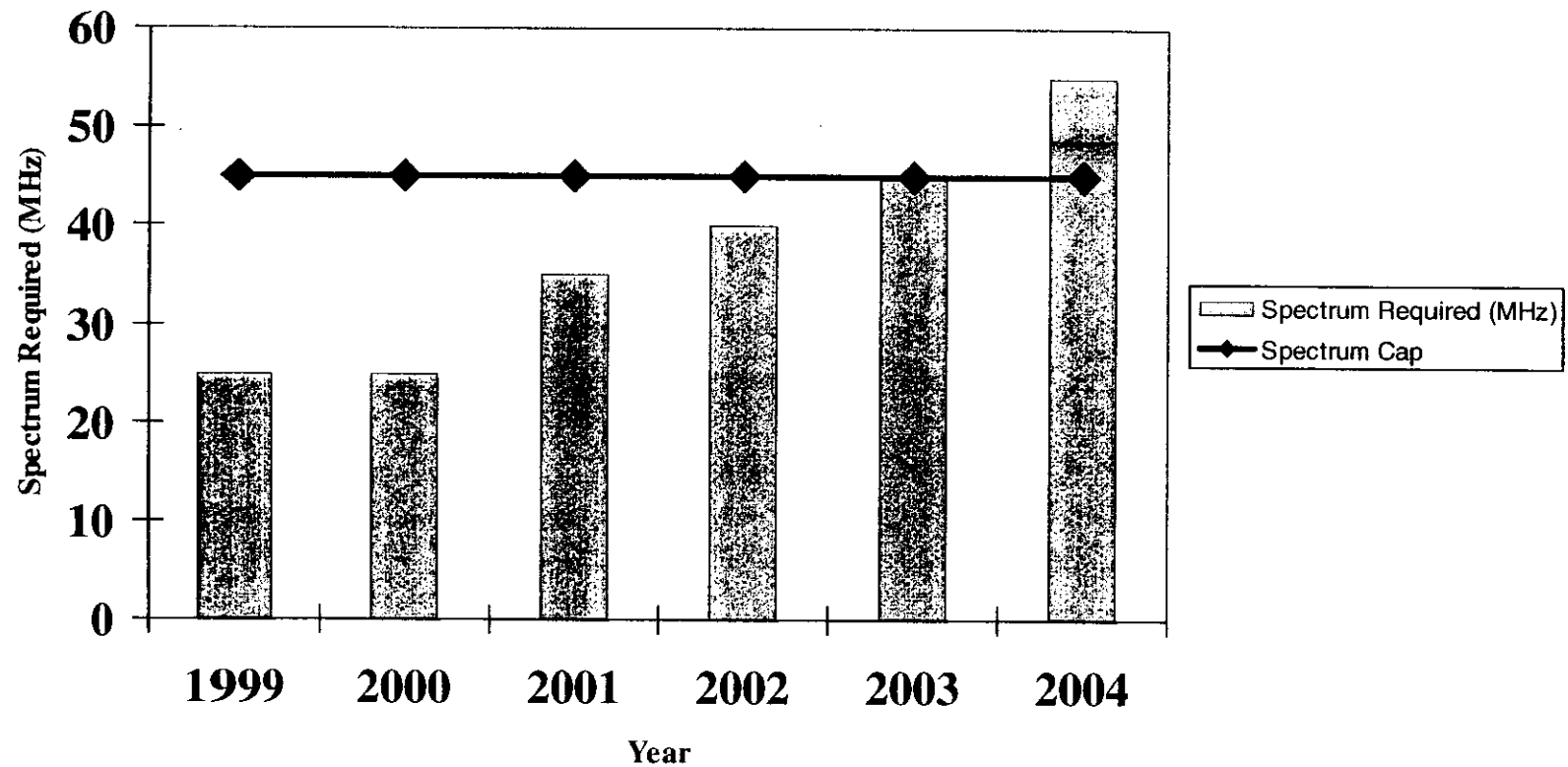
The information contained in this report is based on estimates for a typical market.

Typical City - Digital Carriers Required



The information contained in this report is based on estimates for a typical market.

Typical City - Spectrum Required



The information contained in this report is based on estimates for a typical market.

Conclusions

- Spectrum caps do not provide carriers with the ability to satisfy the demand for wireless services.
 - Wireless local loop/land line displacement
 - High volumes of low speed data
 - High speed data
 - 3G services

The information contained in this report is based on estimates for a typical market.